

David B. Chalmers, Jr. / Bayoil (USA) Inc. / Bayoil Supply & Trading, Limited (UN Oil-for-Food)

Case ID:

ARW-48

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

United States

Position of Public Official(s) (yrs in office):

NA

Jurisdiction of Asset Recovery:

Iraq [Development Fund for Iraq]

United States

Jurisdiction of Asset Recovery ? Description:

Undertaking Recovery Effort, Location of Recovery Effort, Asset Location / Alleged Asset Location

Asset Recovery Start:

2005

Asset Recovery End:

2008

UNCAC Offenses Implicated:

Art. 2

Art.14

Art.16

Money laundering Implicated:

No

Legal Basis for Asset Recovery:

Criminal Prosecution, Criminal Restitution

Intl.Cooperation: MLAT/Letter of Request?:

Unknown

Basis for Intl Cooperation:

Unknown

Contributing Factors in Asset Recovery:

In announcing the guilty pleas, the United States Attorney for the Southern District of New York, Mr. Michael Garcia "praised the work of the Federal Bureau of Investigation, Criminal and Counterintelligence Divisions. He also expressed appreciation to the United States Treasury Department, Office of Foreign Assets Control; the United States Department of State; the United Nations Office of Legal Affairs; and the former Independent Inquiry Committee into the United Nations Oil-for-Food Program for their assistance in this investigation." (Source: United States Attorney's Office for the Southern District of New York Press Release, "U.S. ANNOUNCES FOUR GUILTY PLEAS IN OIL-FOR-FOOD CASE," August 17, 2007.)

Status of Asset Recovery :

Completed

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction

Agreement for Returned Assets:

No

Agreement for Returned Assets - Description:

NA

Case Summary:

According to a press release by the United States Attorney's Office for the Southern District of New York, on August 7, 2007, David B. Chalmers, Jr. and his companies - Bayoil (USA) Inc., and Bayoil Supply & Trading, Limited - pleaded guilty to one count of conspiracy to commit wire fraud, in relation to their involvement in a kick-back scheme related to the UN Oil-for-Food program in Iraq. (Source: United States Attorney's Office for the Southern District of New York Press Release, "U.S. ANNOUNCES FOUR GUILTY PLEAS IN OIL-FOR-FOOD CASE," August 17, 2007). As described in the Order of Restitution in the case, as part of their sentencing, Chalmers and the Bayoil companies had been ordered to pay restitution of \$9,016,151.40, for which they had joint and several liability; the March 25, 2008 Order of Restitution ordered the three to pay the restitution to the Development Fund of Iraq, in care of Ambassador Srood Najib, to be used as restitution for the benefit of the Iraqi people. (Source: US v. Chalmers, et al, Case No. 1:05-cr-00059-DC (S.D.N.Y.), Order of Restitution filed on March 25, 2008.) The Development Fund of Iraq was established on May 21, 2003, by United Nations Security Council Resolution 1483 and originally overseen by the Coalition Provisional Authority, then by the Interim Iraqi government with the oversight of the International Advisory and Monitoring Board for Iraq; as of July 2011, the Government of Iraq assumed full autonomy for the proceeds of the Development Fund for Iraq. (Source: United Nations Security Council Press Statement, SC/10307, IK/636, "Security Council Statement on the Development Fund for Iraq," June 30, 2011.)

Disposition of Criminal Case(s):

According to the Order of Restitution filed in US v. Chalmers, et al, on August 7, 2007, David B. Chalmers, Jr. and his companies - Bayoil (USA) Inc., and Bayoil Supply & Trading, Limited - pleaded guilty to one count of conspiracy to commit wire fraud, in violation of Section 1349 of Title 18, United States Code. (Source: US v. Chalmers, et al, Case No. 1:05-cr-00059-DC (S.D.N.Y.), Order of Restitution filed on March 25, 2008.)

Jurisdiction of Origin: Investigative Agency:

Independent Inquiry Committee into the United Nations Oil-for-Food Program

Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

NA

Jurisdiction of Origin: Courts Involved:

NA

Jurisdiction of Asset Recovery: Investigative Agency:

Federal Bureau of Investigation, Criminal and Counterintelligence Divisions

Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):

United States Attorney for the Southern District of New York

Jurisdiction of Asset Recovery: Courts Involved:

U.S. District Court for the Southern District of New York

Documents:

Bayoil_Chalmers_US_Plea_DOJ_Press_Release_Aug_17_2007.pdf

Bayoil_Chalmers_SDNY_Order_Restitution_Development_Fund_Iraq_Mar_25_2008.pdf

Bayoil_et_al_SDNY_Docket_Report_Oct_26_2011.pdf

Bayoil_UN_Security_Council_Statement_Iraq_Fund_Jun_30_2011.pdf

Documents Links:

http://www1.worldbank.org/finance/star_site/documents/arw/Bayoil_Chalmer...

http://www1.worldbank.org/finance/star_site/documents/arw/Bayoil_Chalmer...

http://www1.worldbank.org/finance/star_site/documents/arw/Bayoil_et_al_S...

http://www1.worldbank.org/finance/star_site/documents/arw/Bayoil_UN_Secu...

Other Sources:

United States Attorney's Office for the Southern District of New York Press Release, "U.S. ANNOUNCES FOUR GUILTY PLEAS IN OIL-FOR-FOOD CASE," August 17, 2007, accessed at <http://www.justice.gov/usao/nys/pressreleases/August07/chalmersdionissie...>

US v. Chalmers, et al, Case No. 1:05-cr-00059-DC (S.D.N.Y.), Order of Restitution filed on March 25, 2008 and Court Docket Report as of October 26, 2011, both accessed via PACER;

United Nations Security Council Press Statement, SC/10307, IK/636, "Security Council Statement on the Development Fund for Iraq," June 30, 2011, accessed at <http://www.un.org/News/Press/docs/2011/sc10307.doc.htm>.